

**GOLDENBERG, MACKLER, SAYEGH, MINTZ,
PFEFFER, BONCHI & GILL**

A Professional Corporation

660 New Road, Suite No. 1-A

Northfield, New Jersey 08225

(609) 646-0222 FAX (609) 646-0887

Attorneys for Cherokee Equities, LLC (52804-28)

BY: /s/ Keith A. Bonchi

KEITH A. BONCHI, ESQ. (KAB3664)

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

IN RE: : CHAPTER 11
:
WALSH SECURITIES, INC. : CASE NO. 10-44845
:
Debtor : JUDGE: NOVALYN L. WINFIELD

STATEMENT OF COUNSEL

Creditor, Cherokee Equities, LLC, by and through its counsel, Keith A. Bonchi, Esquire, states:

1. Cherokee Equities, LLC is a creditor of the Debtor, Walsh Securities, Inc., and Robert Walsh and Lorraine Walsh, individually. On April 21, 2010, the Honorable David F. Bauman, P.J.Cv. entered a judgment in favor of Cherokee Equities, LLC and against Robert and Lorraine Walsh, individually, in the sum of \$1,088,442.30. A copy of said judgment is attached hereto as **Exhibit “A”**.

2. Cherokee, thereafter, commenced post-judgment enforcement proceedings trying to collect on its judgment. Cherokee also holds a third mortgage on the personal residence of

Robert and Lorraine Walsh and is in the process of foreclosing that mortgage.

3. As a result of the post-judgment enforcement proceedings, the Debtor, Walsh Securities, Inc. filed bankruptcy on November 9, 2010 under Chapter 11 of the United States Bankruptcy Code. Walsh Securities had the exclusive right to file a plan until March 9, 2011.

4. Robert Walsh, the principal owner of Walsh Securities, Inc., and his wife, Lorraine Walsh, also filed bankruptcy under Chapter 11 of the United States Bankruptcy Code on November 18, 2010. The personal bankruptcy was dismissed by the court on its own motion on September 26, 2011.

5. A review of the bankruptcy petitions of Walsh indicate that the only real asset of Walsh Securities, Inc. is a federal RICO lawsuit. This lawsuit which is captioned Walsh Securities, Inc. v. Cristo Property, et al (Docket No. 2:97-cv-03496-DRD-MAS) was initially filed on July 17, 1997. The current docket is 120 pages long, and therefore, I will not burden the court by attaching it as an exhibit.

6. At the invitation of Debtor's counsel, counsel for the creditor, Cherokee Equities, LLC spoke to David Kott, the attorney for the lead defendant, Commonwealth Title, and it does not appear that there is any close prospect of resolving this case in the near future. A review of the docket in this matter clearly indicates that there is no trial date. There apparently was a telephone status conference on July 28, 2011 dealing with several issues, but apparently the case is still in the discovery stage, with experts to be named and deposed. Again, there is no trial date and no prospect of any early resolution of this case.

7. The Debtor, Walsh Securities, Inc. does not operate. It ceased operation at least ten years ago. It does not operate, and the Debtor's sole asset appears to be the potential to

recover money in the RICO case at a future date which is unknown. As we approach approximately eleven months since the date of the filing of the bankruptcy petitions, the Debtor has failed to submit any Plan or do anything. The Debtor simply uses the automatic stay to prevent Cherokee from resorting to its state remedies.

8. The Debtor is unable to present a Plan since it has no ongoing business and there is no need to reorganize since there is nothing to reorganize. The Debtor utilizes the bankruptcy court to have sole control of the RICO litigation and to stay Cherokee from asserting any State's rights. The Debtor cannot prepare any Plan that would ever pay Cherokee any monies since it has no monies and is not generating any monies.

9. As previously indicated, a similar strategy was utilized by the Walshes in their personal Chapter 11 bankruptcy. On Monday, September 19, 2011, the Bankruptcy Court conducted a hearing before the Honorable Novalyn L. Winfield who, after said hearing, determined *sua sponte* to file a motion to dismiss the bankruptcy since the personal bankruptcy was also being used to stay off creditors such as Cherokee while Walsh continued its own litigation. As previously stated, Judge Winfield dismissed the personal Walsh bankruptcy on September 26, 2011.

10. It is respectfully submitted that this court should dismiss the Debtor's Chapter 11 bankruptcy since there is no basis for it to stay in Bankruptcy Court. The Debtor is not reorganizing and is not operating. The Debtor's sole asset is a RICO lawsuit that has no potential trial date in the future and it could be years before that case is even heard, forgetting about the potential for any appeal of any verdict. The corporate bankruptcy simply attempts to improperly utilize the stay without any chance of any reasonable Plan being submitted to the Court. This is

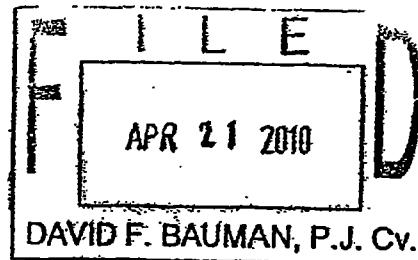
confirmed by the fact that the Debtor still has not filed any Plan and cannot file a Plan other than to ask the Court to force its creditors to wait until it litigates the case and if it is successful it will pay monies.

**GOLDENBERG, MACKLER, SAYEGH, MINTZ,
PFEFFER, BONCHI & GILL**
Attorneys for Cherokee Equities, LLC

BY: /s/ Keith A. Bonchi
KEITH A. BONCHI, ESQ. (KAB3664)

DATED: September 29, 2011

EXHIBIT “A”



GOLDENBERG, MACKLER SAYEGH, MINTZ,
PFEFFER, BONCHI & GILL
A Professional Corporation
660 New Road, Suite No. 1-A
Northfield, New Jersey 08225
(609) 646-0222 FAX (609) 646-0887
Attorneys for Plaintiff - Our File No. 52804(28)

RECORDED AS A LIEN JUL 26 2010

CHEROKEE EQUITIES, LLC, a New Jersey limited liability company,

Plaintiff,

vs.

WALSH SECURITIES, INC., a Delaware corporation and ROBERT WALSH and LORRAINE WALSH, as guarantors

Defendant(s)

SUPERIOR COURT OF NEW JERSEY
MONMOUTH COUNTY
LAW DIVISION

DOCKET NO. MON-L-3517-09

Civil Action

ORDER
ENTERING JUDGMENT
IN FAVOR OF PLAINTIFF AGAINST
DEFENDANTS, ROBERT WALSH AND
LORRAINE WALSH

191947-10

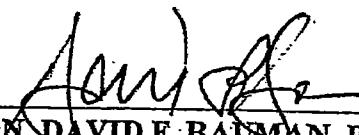
THIS MATTER having been opened to the Court by the law firm of Goldenberg, Mackler, Sayegh, Mintz, Pfeffer, Bonchi & Gill (Keith A. Bonchi, Esquire appearing), attorneys for the plaintiff, Cherokee Equities, LLC a New Jersey limited liability company on a Motion for Summary Judgment as to defendants, Robert Walsh and Lorraine Walsh; and plaintiff, Cherokee Equities, LLC having presented evidence setting forth a particular statement of claim, the amounts due after giving credit for any payments; and, the Court having reviewed the pleadings and for good cause appearing;

IT IS ON THIS 21st DAY OF APRIL, 2010, ORDERED as follows:

1. Summary Judgment is entered in favor of plaintiff, Cherokee Equities, LLC against defendant, Robert Walsh and defendant, Lorraine Walsh, individually, jointly and

~~\$ 1,079,200.00, plus attorneys fees in the sum of \$ _____~~
~~and costs in the sum of \$ _____~~

2. A true copy of the within Order shall be served upon all parties within seven (7) days upon receipt of same.


HON. DAVID F. BAUMAN, P.J. Cv.

UNOPPOSED
 OPPOSED

See attached
Statement of Reasons.